Philadelphia, January 5th, 1886.

HON. WM. M. EVARTS,
UNITED STATES SENATE:
DEAR SIR:

Accompanying this note, is a memorandum on our relations with Canada, which has been prepared at the request of gentlemen of weight and influence on both sides of the border.

As you are a representative of a great Commonwealth, which is more directly interested in this question than any other, and as your former position in the Department of State has given you an especial interest in these questions, I take the liberty of placing the document in your charge. I hope that it will command your assent, and the support of your colleagues.

Very truly yours,

WHARTON BARKER.

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MEMORANDUM CONCERNING CANADA.

Philadelphia, January 5th, 1886.

The expiry of the settlement of the Fisheries Question, which was furnished by the Treaty of Washington, re-opens the still larger question of our commercial relations with the Dominion of Canada. President Cleveland has intimated his sympathy with the view that a closer connection with our neighbor on the North would be to the advantage of both countries; and there is the usual pressure from New England and northern New York for a revival of Reciprocity.

The general objections to Treaties of Reciprocity, which Mr. Cleveland's message has laid before Congress, apply with as much force to the case of Canada as to any others. There is one other and still greater objection in this case, that such a Treaty with Canada would not relieve us from the necessity of maintaining along our Northern frontier a custom-house line, whose growing costliness would be equalled only by its permanent inefficiency. And, as our last bargain of this kind with Canada showed, the establishment of Reciprocity is attended with constant and annoying disputes as to which party had got the better of the other'

and which was carrying out its terms with the greater honesty.

The time seems ripe for a bolder and more statesmanlike arrangement with our neighbors on the North. For seven years past they have been following our example in protecting their home industries against foreign competition. This policy has had a large measure of success, and Canada is to-day more confirmed in its attachment to its National Policy, as it well calls it, than at the first. But there has been a limit to its success, which might have been foreseen from the first. The population of the Dominion is less than five million people, and these are divided by natural obstructions into groups, which have but little natural commerce with each other, while they would have much with the adjacent American States, if they were not sundered by political boundaries. The largest group—that in the two old Canadian provinces—numbered two million eight hundred thousand people in 1881. The development of a vigorous manufacturing system under such conditions is almost impossible; the market accessible is too small for the existence of large and competing establishments, except in the case of few industries. For this reason the Protectionists of Canada have had to be content with statistical exhibits of the success of their policy in opening new channels of employment, which are far from what could be desired. With this experience behind them, there is every reason to believe

that they are ready to consider a proposition to extend those markets, by becoming a part of our industrial area, and through the entire abolition of restraints upon commerce between the two nations.

A Commercial Union with Canada, such as is here proposed as preferable to Reciprocity, would be established on the footing of a common tariff for both countries, and the distribution of the receipts from customs on the basis of population, or on some other basis that might be thought more equitable. As the present Canadian tariff contains many duties "for revenue only," its assimilation to our own would be attended by some loss of revenue to Canada; and it would not be unfair to guarantee her a sum equal to her present receipts for a number of years. By this arrangement the custom-houses of both countries would be along the Atlantic coast alone, and each group of the Canadian provinces would interchange its products with the adjacent group of American States, as freely as though all were parts of the same country. In a word it would effect just such a fiscal revolution as in 1789 changed the thirteen American States from a number of isolated industrial communities, into a country connected by mutual services and benefits.

On the Canadian side of the line such an arrangement is distrusted by some as a forerunner of what they are pleased to call Annexation. Within the last twenty years the American people have given the

world assurance enough that they are amply satisfied with the area Providence has assigned them, and that they find the problems they have already on their hands quite enough to tax their energies, without increasing them by adopting those of their neighbors. Canada has neither that homogeneity with our own people, nor that internal concord, which make the proposition of her addition to us an attractive one. We have every reason for wishing well to her; none at all for desiring to absorb her. And the notion that Commercial Union involves political absorption, where the people concerned are not politically homogenous, is fully refuted by the example of England and Ireland.

No American interest would be adversely affected by this arrangement, while those of Canada would be greatly benefited. It is true that we would begin to draw more freely upon the forests of the Dominion for our supply of lumber, and that some opposition may, therefore, be expected from the lumber interests of Michigan. But in this matter it behooves us to have respect to larger national interests than those of the lumbermen. Our forests are rapidly disappearing before the demand for railroad-ties and other forms of lumber, and any arrangement that would check the drafts upon them would be a national benefit. The present duty on all lumber but saw-logs is a premium on the extinction of our American forests, whose removal would be a measure of national protection. Canada

has enough and to spare for our use, and a drain which only implies the opening of her area to agriculture, means the detriment of ours through the disturbance of the rain supply over a large part of our area.

The Commercial Union of the two countries would furnish the best possible solution of the fisheries question,—that perennial puzzle of our diplomats. We should pay no price for the use of her fishing-grounds, and lay no restrictions on the importation of her fish. Our fishermen would have the same advantages and facilities of all kinds as her own; and the endless tangle of questions and disputes would disappear as completely as though we were the owners of the St. Lawrence Gulf.

The admission of Canadian shipping to our coasting-trade would be a natural, and perhaps a necessary feature of the arrangement. The people of the seaboard provinces, like those of our New England states, take to the seafaring life much more readily than do the inhabitants of our more Southern coast. If once we were to adopt them heartily into our mercantile marine, we might look to them for the permanent and ample supply of shipping for our coastwise trade, and for that trade with the West Indies, which is now transacted so largely in European bottoms. Our dependence upon Norwegian or Italian vessels for such a service as this would come to an end with the removal of the line of custom-house demarcation, which sunders

us in the sea, as well as on the land, from our nearest American neighbors.

The relations of labor would not be modified by the new arrangement, except so far as the increased prosperity of Canada would put a check to the immigration of her French people into the United States. At present the existence of a great supply of underpaid and unemployed labor across the border, works as badly for our workmen, as does the influx of Irish labor into Great Britain for the British workman. It is in the interests of American labor that we should level up Canadian conditions by an industrial assimilation of the two countries, since there is no means of excluding the Canadian workman from our country, if any such were desirable. Already much has been done by the protective policy of Canada; but the same causes which have kept that from being a perfect success, have also operated to prevent Canadian wages and opportunities of employment from equalling ours.

Our task and that of the Canadians is the same. We are both engaged in the work of converting a great continent into a continent of civilization, freedom and Christian faith. They are the only co-workers with us, with whom we can feel the closest sympathy, for our neighbors southward are separated from us by barriers higher and more impassable than those of political division. If for a time Canada seemed to be drawn by attraction to an un-American

ideal of her position, and to cherish political and industrial dependence upon Europe, that time has passed away. Every recent movement in her history has brought us into more intimate agreement as to the goal of our common endeavor and the means by which it is to be attained. The time seems to have come for removing the last barrier to the closest fellowship in the administration of our common heritage of resources and capacities.

For these reasons, the appointment of a Joint Commission to open this question with the Canadian government at the earliest date possible is urgently desired by many of the people of both countries.